



Memorandum

TO: RULES COMMITTEE

FROM: Councilmember Liccardo
Councilmember Campos
Councilmember Chirco
Councilmember Nguyen

SUBJECT: Inclusionary Zoning – Amendment to
Memorandum of August 15, 2007

DATE: August 23, 2007

Approved:

Kalissa Ngy *John Campos* *Judy Chirco* *Sam Luais* Date: _____

Amended Recommendation: Direct staff to prepare a workplan assessment and return to the Community and Economic Development Committee and Transportation and Environment Committee with an analysis of three options for increasing San Jose's supply of affordable housing:

- 1) a citywide inclusionary housing policy;
- 2) an inclusionary requirement only with the conversion of employment-producing (i.e., industrial or commercial) lands for housing; and
- 3) inclusionary housing required around fixed transit stations

The recent conversion of the Flea Market property has highlighted a critical need for the City to address its scarce opportunities for siting affordable housing consistent with sound urban planning principles. At the August 14th hearing on that matter, Councilmember Liccardo described a pending proposal to impose a transit-oriented inclusionary requirement. Rather than imposing such requirements project-by-project, the proposal sought to ensure that a uniform policy applied to give developers a uniform and clear set of expectations for the benefit of their investment decisions.

Since that time, city staff has suggested a more open-ended analysis, to assess which of several options might result in the most effective policy, particularly in light of concerns that a transit-oriented inclusionary policy might place uneven burdens on developers of the high-density, transit-oriented housing that the City seeks to promote.

On June 19, 2007, as part of its Five-Year Housing Plan, Council approved staff's proposal to "consider expanding the City's inclusionary policy to include large special planning areas, industrial conversions, or perhaps adopting a Citywide inclusionary policy" during a time "over the next five years." (p.2-3 of May 30, 2007 Staff Memorandum, "Public Hearing of the Five Year Housing Investment Plan") With this memorandum, the above Councilmembers join in

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pushing this debate forward, with the expectation of receiving staff recommendations for ultimate decision by Council in the coming months.

The need for affordable housing in San Jose has never been greater. Rents continue to rise while rental vacancy rates shrink. Council will approve many substantial developments over the next several months, representing fleeting opportunities to obtain affordability in our housing stock. The need to study our options, and to implement a clear and uniform policy, is pressing.